

Loehmann's
Liquidation Analysis - Chapter 7 Liquidation Scenarios
\$ 000's

	Estimated Value as of	\$ Amount (000's)	CASE SCENARIO		
			LOW	MID	HIGH
<u>Recoverable Assets:</u>					
a	Cash	02/28/11 \$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
b	Accounts Receivable	02/28/11 \$ 5,447 <i>Recovery Rate</i>	\$ 4,085 75.0%	\$ 4,357 80.0%	\$ 4,630 85.0%
c	Inventory (Recovery on Cost)	02/28/11 \$ 45,256 <i>Recovery Rate</i>	\$ 13,577 30.0%	\$ 18,103 40.0%	\$ 22,628 50.0%
d	Pre-Paid Expenses	02/28/11 \$ 3,079 <i>Recovery Rate</i>	\$ 308 10.0%	\$ 462 15.0%	\$ 616 20.0%
e	PP&E Net of Accum Depreciation	02/28/11 \$ 28,926 <i>Recovery Rate</i>	\$ 1,446 5.0%	\$ 2,893 10.0%	\$ 4,339 15.0%
f	PP&E Recovery Fee		-25%	\$ (362)	\$ (723)
g	Intellectual Property	02/28/11 \$ 10,000 <i>Recovery Rate</i>	\$ 500 5.0%	\$ 1,000 10.0%	\$ 1,500 15.0%
h	IP Recovery Fee		-5%	\$ (25)	\$ (50)
i	Lease Designations	02/28/11 \$ 3,000 <i>Recovery Rate</i>	\$ 300 10.0%	\$ 450 15.0%	\$ 600 20.0%
j	Lease Recovery Fees		-5%	\$ (15)	\$ (23)
Net Recovery before CH. 7 Trustee Fees & Expenses			\$ 21,815	\$ 28,469	\$ 35,123
k	Chapter 7 Trustee Fees	02/28/11	(678)	(877)	(1,077)
l	Chapter 7 Trustee Expenses (expenses, other professionals, etc.)		1,500	(1,500)	(1,500)
Net Available to Senior Secured Creditors			\$ 19,637	\$ 26,091	\$ 32,546
m	Amount owed to Secured Creditors - Crystal Financial	02/28/11 \$ 24,821 (% of Secured Claims paid)	(24,821) 79.12%	(24,821) 100.00%	(24,821) 100.00%
Net Available to Secured Noteholders - A Series			\$ -	\$ 1,271	\$ 7,725
n	Amount owed to Secured Noteholders - A Series	02/28/11 \$ 75,000 (% of Secured Claims paid to Series A)	(75,000) 0.00%	(75,000) 1.69%	(75,000) 10.30%
Net Available to Secured Noteholders - B Series			\$ -	\$ -	\$ -
o	Amount owed to Secured Noteholders - B Series	02/28/11 \$ 35,000 (% of Secured Claims paid to Series B)	(35,000) 0.00%	(35,000) 0.00%	(35,000) 0.00%
Net available for remaining Administrative Claims			\$ -	\$ -	\$ -
p	Amounts owed for est. administrative expenses and claims	02/28/11 15,000 (% of Admin. Claims paid)	(15,000) 0.00%	(15,000) 0.00%	(15,000) 0.00%
Net available for Priority Unsecured Claims			\$ -	\$ -	\$ -
q	Priority Unsecured - Pre-Petition Taxes & Employee Claims	11/14/10 \$ 1,500 (% of Priority Unsecured paid)	\$ (1,500) 0.00%	\$ (1,500) 0.00%	\$ (1,500) 0.00%
Net available for General Unsecured Claims			\$ -	\$ -	\$ -
r	Leasehold Liabilities (502(b)6 Claims)	11/14/10 \$ 58,701	\$ (58,701)	\$ (58,701)	\$ (58,701)
s	Pre-Petition Accounts Payable	11/14/10 \$ 37,665 (% of Claims paid to General Unsecured)	(37,665) 0.00%	(37,665) 0.00%	(37,665) 0.00%

Clear Thinking Group LLC has relied on information provided by Loehmanns, Inc. and its officers. Clear Thinking Group LLC has not audited any of the information provided to us.

Chapter 7 Liquidation Assumptions:

- a Cash in bank and store depository accounts*
- b Estimate of AR in float from Credit Card processors as of 2/28/11*
- c Projected cash recovery on estimated cost value of inventory. Mid-case based on 50% of a "normal" Ch. 11 liquidation scenario.*
- d Prepaids estimated based on 10/30/10 balance sheet amount with an estimated recovery value assumed base on insurance refunds.*
- e Value of PP&E per 10/30/10 balance sheet estimate (net of accumulated depreciation)*
- f Estimated cost to sell PP&E*
- g Value associated with selling the Company's trademark, patents, etc.under a forced sale scenario*
- h Estimated cost to sell IP*
- i Value associated with selling the Company's lease designations under a forced sale scenario*
- j Estimated cost to sell Leases*
- k Ch. 7 Trustee Fee per Statute calculation*
- l Estimated Expenses incurred by UST to manage & wind down estate*
- m Estimated loan balance owed to senior DIP lender (Crystal Financial) as of 2/28/11*
- n Total Secured Series A Notes as of 11/14/10*
- o Total Secured Series B Notes as of 11/14/10*
- p Estimated amounts accrued and unpaid administrative expense items*
- q Estimated unpaid pre-petition priority taxes, customer and employee claims*
- r Estimate - per preliminary 502(b)6 analysis*
- s Estimated pre-petition general unsecured non-real estate claims*